



**Iowa Medicaid Enterprise
RFP MED-12-003
Bidders Questions and Answers**

#	Reference	Question	Answer
1	<p>Page 4</p> <p>“The contracts may consist of (1) service contracts related to the installation and maintenance of non-proprietary software, (2) contracts for the installation of proprietary software that is licensed to the Agency, with associated license agreements and service/maintenance agreements, or (3) “software as a service” agreements.”</p>	<p>If a Bidder offers more than one of the options presented in the question, will the State consider multiple Cost Proposals showing the multiple options? If so, will the State confirm that it will score the most favorable cost proposal in determining the vendor’s score and that there would be no adverse impact to submitting more than one Cost Proposal?</p>	<p>Bidders are free to submit more than one bid. Submission of multiple bids is preferable to submission of one bid with multiple cost proposals. That way, each proposed concept stands on its own in the evaluation.</p>



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#	Reference	Question	Answer
2	Section 1.1 Page 5 The current EHR software solution was built utilizing the Iowa Medicaid Provider Application (IMPA), OnBase workflow and document management system, and Iowa MMIS system for payment management.	How much data conversion of year 1 attestation data is expected for EP and EH records (i.e. all attestation data, only eligibility information, hospital calculation)?	All historical attestation and payment data that can be mapped to the new system should be converted.
3	Section 1.1 Page 5 The current EHR software solution was built utilizing the Iowa Medicaid Provider Application (IMPA), OnBase workflow and document management system, and Iowa MMIS system for payment management.	If data conversion is expected, does the state expect all year 1 data to be converted by the program launch date? Would it be acceptable to convert only critical data (i.e. hospital calculation information) prior to launch and convert the remaining year 1 data after the go-live date?	Data that is critical to year 2 payments for providers must be converted by the program launch date. Non-critical data should be converted within 90 days of the launch date for reporting consistency purposes.



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#	Reference	Question	Answer
4	<p>Section 1.1 Page 5</p> <p>Due to limited state staff resources, and anticipating the acquisition of a new MMIS system, the IME has determined the appropriate approach to upgrading the system is to seek a multi-state systems solution to support the administration of the EHR incentive program.</p>	Is Iowa only seeking a replacement software system or should bidders include information on administering the program for IME as well?	IME is seeking a replacement administrative tool. IME currently has staff supporting the operations of administering the program.
5	<p>Section 1.1 Page 5</p> <p>As of May 2011, Iowa Medicaid has paid a combined total of \$5M in incentive payments to over 100 eligible providers.</p>	What is the current number of providers that have been paid as of today? How many additional providers does Iowa expect to apply for a 2011 incentive payment?	<p>As of August 31, Iowa has paid \$16,721,428 to 166 applicants.</p> <p>It is difficult to estimate the number of providers that will apply for 2011 payments. 960 eligible providers have registered with CMS, along with 67 hospitals. However, not all will complete the application with IME in 2011.</p>



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#	Reference	Question	Answer
6	Section 1.1 Page 5	This section references Iowa having already made incentive payments. However, the scope of work does not indicate that data conversion is required. How does the State anticipate integration of the new solution with the existing systems being used for program administration? Is data conversion required?	All historical attestation and payment data that can be mapped to the new system should be converted.
7	Section 1.2 Page 6 Sample Contract 2.1	The definition of "Deliverable" (on RFP pages 6 and 33) is broad and appears to include not only the work product, including software code and related interfaces, to be designed and delivered as part of the Iowa EHR project deliverables, but also commercial off the shelf (COTS) and third party proprietary software that is generally sold to the public or other clients. Can the State please clarify that the term "Deliverable" is not intended to include and does not include COTS or proprietary computer software that is owned by Contractor or Contractor's vendors?	<p>The term "Deliverable" is defined on page 33 of the RFP as follows: "Deliverables" means all of the services, goods, products, work, work product, data, items, materials and property to be created, developed, produced, delivered, performed, or provided by or on behalf of, or made available through, the Contractor (or any agent, contractor or subcontractor of Contractor) in connection with this Contract. This includes data that is collected on behalf of the Agency."</p> <p>It goes without saying that (1) a COTS software solution is a Deliverable under the contract, and the successful bidder would violate the contract by not delivering that Deliverable, and (2) some minor modification of certain contract terms (i.e, Section 2.10 <i>Ownership and Assignment of Other Deliverables</i>) will be necessary depending on the nature of the proposed solution. The Department would expect that true COTS solutions would be subject to the state license obligations and not state ownership of the COTS product.</p>



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9	Section 1.3.1 Page 6 Display a provider identifier on each screen and printed pages.	Does Iowa have a state specific number (i.e. Medicaid ID) that would need to be displayed or is the provider name or NPI sufficient as an identifier?	The provider name and NPI would be sufficient.
10	Section 1.3.1 Page 7 Providing workflow management (or interface to the Agency's OnBase workflow system).	How is the OnBase workflow system used today to support the EHR incentive program?	Onbase is currently used to provide notifications when attestation is completed, approval or denial of the application, and performance monitoring.
11	Section 1.3.1 Page 7 Aggregated meaningful use report identifying measures selected by providers.	Please clarify what is meant by aggregated meaningful use report. Is the desire to have a summary of how many providers selected a particular measure, how many providers achieved meaningful use for a measure, etc.?	For each measure, the report should identify how many providers selected the measure, how many providers met the measure, and when percentages are collected, the low, average and high values of the percentage.
12	Section 1.3.1 Page 7 Provide requested data extracts for the Agency's Data Warehouse.	What are the technical specifications for the data warehouse (i.e. database platform, file format expectations for data extracts, etc.). How many extracts does IME expect to receive from the new system?	The database platform is SQL Server 2005. Interfaces with the data warehouse should include adds/deletes/changes. DDM can support SSIS connections to another SQL server, delimited flat file connections, and SQL backups. In addition an option would be an XML file that is the DDL for the data. i.e. tablename, element name, element size, element type.



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13	Deliverables Page 7	For the requirement to “Provide all available updates to the software as they are released, as well as provide any updates required to meet attestation needs for future stages of meaningful use as defined by the federal government.” Given that this is an undefined scope, please clarify how the vendor should scope/price the implementation costs associated with these updates.	The solution implemented by the Department cannot be a point-in-time solution. The solution must be capable of being modified going forward to remain in compliance with federal obligations. In a COTS context, the vendor must agree to keep the system current with those obligations.
14	Section 1.3.1.1.n page 7	This section includes the requirement “Verify the provider is an active provider with Medicaid”. Can the State provide more information any available interface mechanisms? Can web services be used to facilitate interfaces and the transfer of data needed to validate a provider’s status with Medicaid?	The agency will provide interfaces to the provider repository. IME can support daily file extracts.



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#	Reference	Question	Answer
15	Section 1.3.1.2.d page 7	The requirement is to provide any required Audit support. The State's SMHP calls for onsite visits by the Program Integrity Team for post-pay audits. Are similar audit functions required by the vendor? If so, to what extent is the vendor required for making onsite visits?	<p>The contractor must provide data to the Program Integrity team for audit selection and support.</p> <p>Additionally the contractor must provide data and respond to questions from State and Federal auditors regarding the administration of the Iowa EHR Incentive program.</p>
16	Section 1.3.1.2.g page 7	Can the State provide more information any available interface mechanisms to the Agency's OnBase workflow system?	<p>Interfaces to OnBase can be completed through data file extracts, or web services</p> <p>See Appendix B for existing Onbase web service descriptions.</p>
17	Section 1.3.1.2.j Page 7	This bullet requires "Providing extensive system messaging to internal staff." What type of system messaging is this bullet referring to?	<p>This includes workflow and error alerts.</p>
18	Section 1.3.1.4 Page 7	Can the State provide more information any available interface mechanisms to allow the system to capture MMIS payment information?	<p>Please see Appendix A below.</p>



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#	Reference	Question	Answer
19	Section 1.3.1.6 Page 7	The State requires the system to provide data extracts for the Agency's Data Warehouse. Can the State provide more information on this system and the interface mechanisms that are available? Can web services be used to facilitate the interface and data transfer?	See answer 12
20	Section 1.3.1.9 Interfaces to the CMS NLR	Does the State require the vendor to submit a daily feed to CMS even when the interface file has no records? Or, would the State allow the feeds to be sent only when one or more records are populated?	Yes. Even if the file is empty, it must be transmitted on all business days.



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#	Reference	Question	Answer
21	Section 1.3.2 Page 8 Agency Responsibilities	In seeking a multi-state solution for the EHR incentive payment program, does the state envision the need for call center or other operational support from the vendor aside from training? We suggest that the State may benefit from a multi-state solution that includes operational support in addition to a toolset as the incremental costs to support such a solution would be advantageous to the State.	<p>The scope of the RFP is specifically for the administrative tool and the technical support of that tool.</p> <p>The department currently provides a call center and administrative/operational support to providers and will continue to do so.</p>
22	Section 1.3.2 Page 8 Agency Responsibilities	Does the State require vendor personnel to conduct eligibility checks against provider data and/or to process/validate attestations? We suggest that the State may benefit from a multi-state solution that includes operational support.	The scope of the RFP is limited to the software tool and the technical operational support of the tool.



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#	Reference	Question	Answer
23	Section 1.3.2 Page 8	Agency support: MMIS: May the vendor assume that the State is willing to make use of legacy MMIS functionality where-ever possible? For example, may the vendor assume legacy payment and HIPAA payment notice functionality may be incorporated into the solution, similarly that MMIS provider information will be available to the eMIPP solution?	The department currently issues the payment to the providers through the MMIS system via a gross adjustment. The department will continue to support interfaces to and from the MMIS system for payments and provider verification.
24	Section 1.3.2.5 Page 8	This indicates the State will provide support for interfaces to the OnBase workflow product. What interfaces does the state anticipate with this system?	The department anticipates uploaded documents and images will be sent to Onbase for document storage and retrieval.
25	Section 1.3.3.1 Page 8	This performance measure states "the system will be fully functional by April 2, 2012." Please clarify, as the functionality for program year 1 and for year 2 payments (for EPs) must be functional by April 2, 2012. Does the State envision all supporting functionality, such as audit and grievance support also being functional at that time?	Providers must be able to attest to year 1 payments (A/I/U) at the time of implementation. Additionally providers must be able to apply and attest to year 2 payments on April 2, 2012. Audit and grievance support will be needed at the time an appeal is made for attestation that occurred within the vendor EHR system.
26	Section 1.3.3.1 Page 8	Would the State consider a phased implementation approach?	Yes, but the implementation timeline must meet the goal of being available for the year 2 attestation on April 2, 2012.



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27	Section 1.3.4	Would the State consider providing payments for the work products delivered during the implementation phase such as the Implementation Planning Materials?	This can be negotiated at the time of contract negotiations.
28	Section 3.1 Page 14 Bid Proposals must be typewritten. The font must be 11 point or larger (excluding charts, graphs, or diagrams). Acceptable fonts include Times New Roman, Calibri and Arial.	Is it permissible to use a font smaller than 11 point in other non-narrative areas, such as the page header and footer?	No
29	Section 3.1 Page 14 The Technical Proposal must be saved in less than five files. The CD(s) must be compatible with Microsoft Office 2007 software. Files shall not be password protected or saved with restrictions that prevent copying, saving, highlighting, or reprinting of the contents.	Due to the RFP requirements, a proposal response will contain files of various types (scanned signed forms, work plans in Microsoft Project, financial statements in Adobe Acrobat, etc.). Is it permissible to submit the technical proposal in PDF format so it can be combined into less than 5 files that can be copied, saved, highlighted, and reprinted?	Yes. The RFP will be amended to request PDF file formats.



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30	<p>Section 3.1 Page 14</p> <p>All pages are to be sequentially numbered from beginning to end (do not number Proposal sections independently of each other).</p>	<p>Does the sequential numbering requirement include letters (transmittal letter, letters of reference) and supplemental material such as required draft documents (work plan, training plan, project timeline, screen shots, sample reports) and financial statements?</p>	<p>Yes. The only documents not considered in the page count are financial statements and resumes.</p>



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#	Reference	Question	Answer
31	<p>Section 3.1 Page 14</p> <ul style="list-style-type: none">• Envelopes shall be addressed to the Issuing Officer.• The envelope containing the original Bid Proposal shall be labeled "original" and each envelope containing a copy of the Bid Proposal shall be labeled "copy." Each envelope must be numbered to correspond with the number of copies of Proposals.• The Technical and Cost Proposals must be packaged separately with each copy in its own envelope.	<p>Will the State allow Bidders to use a box instead of an envelope?</p>	<p>Yes.</p>



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#	Reference	Question	Answer
32	Section 3.1 Page 14 Paper Size. 8.5" x 11" paper (one side only). Charts or graphs may be provided on legal-sized	Our financial statements are available as pdf files; can Bidders submit these as double-sided copies?	Yes.
33	Section 3.1 Page 14 Page Limit. The Bid Proposal is limited to 250 pages. Financial information and resumes will not count toward the page limit.	Do screen shots and samples reports count against the 250 page limit?	Yes.
34	Section 3.1 Page 14	The RFP says: "CD(s) must be compatible with Microsoft Office 2007 software." To ensure the integrity of the files, may bidders submit the Technical and Cost proposals in pdf file format?	Yes
35	Section 3.1 page 14 and 3.2.4 Page 16	"The Bid Proposal is limited to 250 pages." Are the draft documents requested in 3.2.4 (Work Plan, Training Plan, Project Timeline, Screen Shots, and Sample Reports) included in the 250-page limit?	Yes.



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#	Reference	Question	Answer
36	Section 3.2.1 Page 15	Will the State consider making the bid security 10% of the proposal costs listed in the cost proposal for the base year of the contract? While we understand the need for the State to have a security that a vendor will follow through on its proposal, the current requirement of 10% of the proposal costs listed in the cost proposal over a 10-year contract is an exceptionally large amount of cash or lending availability to tie up at one time.	The RFP will be modified to request a bond of \$5000.
37	Section 3.2.1 Page 15	The requirement to provide a bid proposal security in the amount of 10% of the proposal costs for a project of this duration creates a barrier to competition. Would the State please consider removing the requirement for the bid security or reducing it to a fixed amount such as \$25,000?	See answer 36



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#	Reference	Question	Answer
38	Section 3.2.4 Page 16	This section indicates that a draft training plan should be included with the Proposal. What type of training does the state anticipate (instructor lead, train-the-trainer, etc.)? How many staff does the State require to be trained? How many training sessions are required? Where will the location of the training be?	<p>The vendor should describe the proposed training plan most appropriate to the complexity regarding the use of the tool.</p> <p>The Department anticipates training approximately 7 staff members.</p> <p>The training must be delivered in Iowa.</p>
39	Page 16 “In addition to addressing the Scope of Work outlined in Section 1.3, bidders must submit the following draft documents behind Tab 4. Work Plan Training Plan Project Timeline Screen Shots Sample Reports”	For the Training Plan, Screen Shots and Sample Reports, would the State accept an actual sample documents from another state implementation?	Please prepare the training plan for Iowa using the prospective timelines.



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40	Section 3.2.5.1 Experience (Letters of Reference)	Is the State asking for letters to be submitted by the named references, or just for the vendor to provide name and contact information of previous clients knowledgeable of vendor's ability to provide the services outlined in the RFP?	The RFP will be amended to note that the Department will accept name and contact information of previous clients.
41	Page 17 "Description of all contracts and projects currently undertaken by the bidder. Descriptions provided for the immediately preceding requirement do not need to be repeated again".	At any given time, our company is delivering services on thousands of contracts and projects. Could the State please consider to narrowing the scope of the requirement to describe "all contracts and projects related to Health Reform"?	The RFP will be amended to remove this requirement.
42	Section 3.2.5.1 Page 17	This section requires "Description of all contracts and projects currently undertaken by the bidder." Does the State want a list of every active contract or only those related to the type of service being provided?	See answer 41



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43	Page 17 “Letters of reference from three (3) previous clients knowledgeable of the bidder’s performance in providing services similar to those sought in this RFP, including a contact person, telephone number, and electronic mail address for each reference. It is preferred that letters of reference are provided for services that were procured in a competitive environment.”	We believe that Iowa will get the best insight into our offering or our company through references from all of our EHR Incentive multi-state solution participant states. Our state partners are very willing to provide a reference if Iowa initiates the request through a phone call or email. Unfortunately, all of our participant state references are subject to strict department regulations that forbid them from pro-actively writing Letters of Reference for their contractors. Would Iowa consider providing an alternative to written Letters of Reference such as reference descriptions and contact information so that the State can contact each reference individually?	See answer 40



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#	Reference	Question	Answer
44	Section 3.2.5.3 Page 17 The bidder shall submit audited financial statements from independent auditors for the last three (3) years. Entities not required to have audited financial statements may submit CPA-prepared unaudited financial statements.	Can Bidders provide financial statements on CD (versus hard copy) to the State?	Yes, however it must be integrated with the paper copy for RFP review, and the information must be included on the CD Rom identified in section 3.1
45	Page 29 – Sample Contract	Contract Warranty Period. The Contract provides for a warranty for the Deliverable and the Services performed by Contractor under the Contract. Can the State clarify the warranty period referenced in the Declarations and Execution page of the Sample Contract?	The Warranty Period is defined as the “term of this Contract, including any extensions.” Therefore, the vendor will warrant the system during the existence of the Contract.



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#	Reference	Question	Answer
46	Page 34 Sample Contract 2.4.1	<p>Withholding Payments.</p> <p>Contractor seeks clarification of the withholding provided for in this section. Contractor requests that this remedy for failure to perform be made consistent with the other remedies clauses in Section 2.5 such that the Contractor is given a reasonable cure period after notice of any alleged failure to perform before withholding of payments or compensation and that any deficiency or failure on one area of the deliverables not impact payment for other services or deliverables that are delivered pursuant to the Contract.</p>	<p>No. The clauses in Section 2.5 set forth obligations related to termination.</p>



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#	Reference	Question	Answer
47	Page 34 Sample Contract 2.5.1	<p>Termination for Cause by Agency.</p> <p>It is customary to have a designated cure period in the event of an alleged breach of Contract by the Contractor as it provides consistency and predictability with respect to opportunity to correct or for the parties to resolve in advance of termination remedies being enforced prematurely. Will the State consider insertion of a cure period consistent with the 60 day cure period provided to the State in the event of breach by the State or at least no less than 30 days?</p>	<p>The Department's standard termination for cause language permits the Department to decide the length of time permitted for cure. The length of time allowed for cure depends on the nature of the breach. Some breaches, such as blatant HIPAA violations, require shorter notice than less severe issues.</p>



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#	Reference	Question	Answer
48	Page 35 Sample Contract 2.5.1.6	<p>Termination for Cause without Notice or Opportunity for Cure.</p> <p>This section of the Sample Contract is very broad and would appear to also include inadvertent violation of law that do not impact or prevent contractor from performing its obligations under the Contract.</p> <p>Please clarify the scope of this section – what violations of law are intended to support termination for cause without advance notice or opportunity to cure?</p>	<p>The term is broad but provides a catch-all to protect the Department. To the Department's knowledge, the clause has never been used to terminate a contractor, so no examples are available to provide clarification.</p>



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#	Reference	Question	Answer
49	Page 35 Sample Contract 2.5.1.8	<p>Termination for Alleged Infringement.</p> <p>This section of the Sample Contract provides for immediate termination without notice or opportunity to cure in the event there is an allegation made of potential IP infringement. However, allegations may not be meritorious and can be denied, rebutted and defended. Will the State revise this section to provide for immediate termination in the event that a court of competent jurisdiction has made a final determination that Contractor's actions constitute infringement or violation of third party IP rights?</p>	<p>No. The clause grants the Department the right but not the obligation to terminate without notice. It is very likely, considering the nature of the services involved that termination would not be immediate, but the Department must maintain the right to terminate immediately to protect the state from meritorious litigation.</p>



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#	Reference	Question	Answer
50	Page 35 Sample Contract 2.5.3.1	<p>The RFP says: "The legislature or governor fail in the sole opinion of the Agency to appropriate funds sufficient to allow the Agency to either meet its obligations under this Contract or to operate as required and to fulfill its obligations under this Contract".</p> <p>Can the State clarify the difference between the two funding situations provided for in this section? They appear to be the same.</p>	<ol style="list-style-type: none">1. The state legislature may not appropriate funds for the contract.2. If the legislature appropriates funds, the Governor of the state could line-item veto funding for the contract.3. Funding provided the agency for the particular contract may be inadequate, which would not allow the agency to meet its contractual obligations.4. Funding provided the agency as a whole may be so inadequate that the agency cannot operate as normal, which would have a potential ancillary impact on the Contract.



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51	Page 36 Sample Contract 2.5.5	<p>Limitation of the State's Payment Obligations</p> <p>This section appears to cover all potential termination scenarios; however, it does not provide for compensation to Contractor that is customarily provided for in the event of termination for convenience, which would include payment for work in progress and reasonable termination related costs/expenses. Will the State please clarify or more specifically address remedies applicable to a termination for convenience versus termination for cause?</p>	<p>The omission of vendor remedies in the event of termination for convenience is intentional.</p>



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#	Reference	Question	Answer
52	Page 36 Sample Contract 2.5.5.3	<p>Limitation of the State's Payment Obligations.</p> <p>Will the State clarify what this section is intended to address? Contractor's price proposal includes cost items and, as written, this section would appear to exculpate the state from payment of any costs associated with performance of the Contract for any reason.</p>	<p>The clause clarifies that in a contract termination setting, the state will only pay those amounts due and owing under the contract, the state will not pay termination-related costs, and the state will only pay such costs to the extent allowed by law.</p>
53	Page 36 Sample Contract 2.5.5.4	<p>Limitation of the State's Payment Obligations.</p> <p>Is this subsection intended to provide a limitation/exclusion for consequential damages? Will the State agree to provide a mutual consequential damages limitation clause?</p>	<p>No, this clause is not intended to provide a limitation/exclusion for consequential damages. See the answer to question 52.</p> <p>The state does not generally permit an exclusion of consequential damages, but any such suggestion should be included by the bidder in the Bidder Detail Form & Certification (Attachment B).</p>



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54	Page 36 Sample Contract 2.5.6.5	<p>Contractor's Termination Duties.</p> <p>It is not clear how the phrase "in whole or in part" is intended to be used. Will the State please clarify if this phrase refers to delivery of partial Deliverables for which the Agency has made payment (work in progress), or delivery of a Deliverable for which the Agency has only made partial payment? The latter scenario would present difficulties with respect to any Deliverable that incorporates COTS or third party proprietary software which are subject to license agreements and that typically permit transfer of license only upon payment in full.</p>	<p>By way of example, assume a vendor were partially finished with drafting custom software code that was to be turned over to the state when completed, and the state had made partial payment for the finished software code. In that hypothetical scenario, the vendor would be obligated to turn over to the Department the partially-completed code upon termination of the contract.</p> <p>As related to COTS solutions, the contractor would be obligated to turn over to the state what rights the vendor has obtained, which may vary depending on the circumstances.</p>
55	Page 37 Sample Contract 2.6.1.5	<p>Confidential Information.</p> <p>Please clarify that subsection 2.6.1.5 is not intended to include procurement information where the information is a matter of public record or has been publicly disclosed.</p>	<p>Correct, but to the extent that a vendor gains access to information that is not widely available, the clause would require the vendor to not further distribute the information.</p>



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56	Page 37 Sample Contract 2.7	<p>Indemnification by the Contractor.</p> <p>Please clarify that this indemnification provision is intended to provide the customary indemnification protection to the State for liability arising from third party claims resulting from or arising out of the Contract.</p>	<p>The intent of the clause is clear from the words selected. Iowa law generally only applies indemnification clause language to third party claims absent clear language to the contrary.</p>



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57	Page 38 Section 2.10.1	<p>Intellectual Property. Ownership and Assignment of Other Deliverables.</p> <p>Deliverable is given a very broad definition and includes not just what is developed for the State under the Contract, but presumably all third party proprietary computer software code and other materials that are licensed to the state in connection with the Contract. As a result the assignment of IP rights is not clear, and potentially seeks assignment of products, the ownership of which is not capable of assignment. This is likely to cause confusion and licensing challenges. To avoid confusion in the grant of ownership and title of IP rights under this Contract, will the State clarify or distinguish between “work product” developed and delivered by Contractor to the State under this Contract and other products and materials that comprise the Deliverables for purposes of this section, and the Definitions section of the Contract?</p>	See the response to Question number 7.
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58	Page 38. Section 2.10.1 Fourth Sentence.	In EHR systems procurements, as well as similar procurements, it is customary for the State to provide the Contractor with a non exclusive, royalty free, perpetual license to use, modify and make derivative works from custom software included in the State deliverables under a State contract. This accommodates the ability to ensure consistent technology transfer for similar State projects as contemplated by federal health care law and regulations, and is contemplated in the context of federally funded EHR systems. Will the State provide Contractor such a license with respect to the software programs developed under this Contract?	Please make this proposal on the Bidder Detail Form & Certification (Attachment B). Generally speaking this type of arrangement is not problematic.



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59	Page 38-39 Section 2.10.1	Waiver. Contractor requests that this section be tailored in a way that is consistent with the clarifications requested in Section 2.10.1 relating to IP ownership and license rights.	Again, please make this recommendation on the Bidder Detail & Certification Form (Attachment B).



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#	Reference	Question	Answer
60	Page 39-40 Section 2.11.3.2	<p>Second sentence.</p> <p>This section requires Contractor to represent and warrant that there is no pending or threatened claim, litigation or action based on infringement or violation or misappropriation of IP rights related to the Deliverable; however, due to the broad definition of Deliverable, this asks the Contractor to warrant third party COTS or other third party proprietary materials. The warranty also is required to run during the Contact Warranty period (to be defined). Contractor requests that the State clarify that this warranty does not apply to third party COTS or proprietary software licensed by Contactor for incorporation into the Deliverables, or alternatively, that the warranty obligation be subject to the Contractor's knowledge and belief. Contractor further requests that the State apply the customary limitation that this warranty will not apply to the extent the State modifies or alters the Deliverable</p>	<p>The Warranty Period is defined as the term of the contract, which means the entire system must perform as advertised during the full run of the contract. The warranty does apply to COTS products used in the system. The Department does not anticipate altering the solution provided unless required by federal law, in which case it would be the vendors obligation to keep the system current, or pursuant to a change order process.</p>
		<p>and such alteration results in or otherwise causes the deliverable to be infringing.</p>	Page 32



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#	Reference	Question	Answer
61	Page 40 Section 2.11.4.2	<p>Contractor Representation and Warranty for Deliverables.</p> <p>To the extent that the Deliverable does not operate as warranted, this section gives the Contractor five business days to repair or correct. That period may not be sufficient time for the Contractor to repair or correct deficiencies, particularly where the deficiency may involve third party COTS or other proprietary software products incorporated in the Deliverable. Will the State consider extending the warranty cure period to 30 days or modifying this section to allow the Contractor to make prompt reasonable efforts to correct and deficiency and if such efforts are not successful, then the State is entitled to a refund.</p>	<p>The clause in question states that if the system is deficient, the contractor will correct the problem within five business days “or within such other period as the Agency specifies in the notice.” The contractual language is appropriate because of the nature of the system and the core functionality it provides the Department.</p>



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#	Reference	Question	Answer
62	Page 40 Section 2.11.4.2	<p>Contractor Representation and Warranty for Deliverables. (Last sentence.)</p> <p>Due to the broad definition of the term “Deficiency”, the extent and scope of the warranty described for the Deliverables is not clear. Can the State clarify the warranty remedies it seeks where the State has accepted the Deliverables and determined them to be in conformance with the Contract specifications?</p>	<p>A hypothetical example in this instance would be the Department’s acceptance of a software deliverable that was later found to not accurately calculate incentive payments or proposes to send incentive payments to the wrong provider. In that instance, the problem would be a “Deficiency” that would require correction regardless of prior deliverable acceptance.</p> <p>The contract sets forth the potential remedies in such an instance.</p>



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#	Reference	Question	Answer
63	Page 41 Section 2.11.6	Please clarify that the Contractor's warranty that Deliverables will comply with applicable federal, state and local laws in effect during the term of the Contract does not impose an obligation on the Contractor to modify the deliverables or otherwise perform additional work outside the Contract specification without compensation. To the extent that applicable laws alter system requirements, it is the Contractor's understanding that Contractor will be compensated for such work.	The contractor will be responsible for keeping the system current with federal law.
64	Page 41 Section 2.12.2	Acceptance of Software Deliverables. (Last paragraph on page 41) Please clarify the basis for not providing Contractor notice of for cause termination with a right to cure as it seems inconsistent with the last sentence of this section that the Agency's rights shall remain in effect until Acceptance tests are successfully completed.	The statements listed in Section 2.12.2 are in addition to the remedies available under Section 2.5 of the Contract. There are numerous rights retained by the Department under Section 2.12.2 that relate specifically to Acceptance Testing, including but not limited to termination of the contract. To a certain extent the references to the termination rights are duplicative to Section 2.5, but it is important to provide vendors notice of this remedy as it relates to software deliverables.



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#	Reference	Question	Answer
65	Page 42 Section 2.12.3	<p>Notice of Acceptance and Future Deficiencies.</p> <p>This section is confusing and creates an internal inconsistency between the Definition of Final Acceptance of a Deliverable and the continuing Contactor liabilities imposed by this section.</p> <p>Final Acceptance is defined to mean that the Agency has determined that all Deliverables satisfy the Contract Specifications, goals, performance measures, testing results and/or other criteria designated by the Agency and against which the Deliverables may be evaluated for purposes of Acceptance or Non-acceptance. Once accepted, the risk of nonperformance or deficiency typically shifts to the State, subject to any support and maintenance warranties included in the Contract. Please clarify the nature and scope of the rights sought by the State in this section, as it may impact system cost. Contractor proposes that this section be</p>	<p>The Warranty Period is designated as the term of the contract, so the suggestion here that the vendor must stand behind the solution and repair even hidden flaws during the full term of the contract is fully consistent with the Warranty obligations.</p>
		<p>modified to be consistent with the Contract Warranty and Warranty Period once designated.</p>	Page 36



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#	Reference	Question	Answer
66	Page 43 Section 2.13.11	<p>Assignment and Delegation.</p> <p>The Assignment Clause conditions any assignment on State consent and provides that a transfer of a controlling interest is deemed an assignment. However, the State does not define “transfer of a controlling interest”. Will the State clarify or modify this provision to provide that “transfer of a controlling interest” shall not include sale of an equity interest in the Contractor where the Contractor’s operations and management continue uninterrupted, and the Contracting Party remains the same. Insertion of this clarification will facilitate typical financing transactions, and also will level the playing field for small and mid-sized Contractors who may seek additional capital to compete with large, publicly traded competitors in the industry.</p>	<p>The Department prefers to leave this clause as is. The concept of transfer of a “controlling interest” is a legal term of art that is generally related to transfer of stock or other indicia of ownership that would generally not be implicated in a financing transaction. It is very critical for the Department to know exactly who it is dealing with for various reasons, including but not limited to federal obligations such as debarment and suspension from federally-funded programs. See also the answer to Question 67.</p>



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#	Reference	Question	Answer
67	Page 43 Section 2.13.11	<p>Assignment and Delegation (last sentence).</p> <p>It is customary practice in the industry for Contractors to assign Contract payments to its financial institution under standard financing arrangements. Can this provision be amended to permit such financial assignment of payments?</p>	<p>If the question relates to “factoring” of receivables, the contract language does not permit factoring. The Department has had numerous problems with factoring of receivables and prefers not to allow factoring.</p>
68	Page 47 Section 2.13.37	<p>Immunity from Liability.</p> <p>Please clarify that this provision is not intended to exempt the State from liability under this Contract and please identify the disputes resolution procedures to be followed pursuant to the Contract, and if the State will address the dispute resolution process in the Contract?</p>	<p>The state is not immune from contractual liability under Iowa law, and the clause does not seek to suggest otherwise.</p>



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#	Reference	Question	Answer
69	Page 51 Cost Proposal Form	In the cost proposal template, there is a row labeled "Projected Utilization" with "x's" across the row. Does the State intend to provide the projected utilization on a yearly basis or would you like Bidders to include an assumption by year?	See Appendix C
70	Cost Proposal Form Page 51	This form has an area for Project Utilization. Can the State elaborate on what this represents? Are multiple cost proposals being asked for depending on the number of providers enrolled in the program?	No. Each proposal submission should have a single cost proposal form.
71	Cost Proposal Form Page 51	Can the State verify that the cost of operations is only related to hosting of the solution and maintenance and support for the system?	Yes.
72	Cost Proposal Form Page 51	Will the State please provide your cost sheet in Excel format? This will allow bidder's to complete the Cost Proposal requirements. (The current cost sheet is in PDF.)	The Excel chart has been uploaded to the Bid Opportunities website.



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#	Reference	Question	Answer
73	General	Answers to vendor questions are scheduled for State response on September 6 with the proposal due on September 14. This schedule leaves only 8 calendar days (6 work days) to incorporate any changes into vendor proposals including the delivery day. Typically, proposal formatting, production and shipping occurs in this timeframe, leaving no time available for vendors to incorporate proposal changes based on the answers to questions. Will the State consider a 1-week extension to the delivery schedule to ensure proposals are fully reflective of the requirements?	A new procurement timetable has been uploaded to the Bid Opportunities website.
74	General	Is RFP MED-012-003 available in Word format?	No
75	General	The RFP for the does not have an Excel version of the cost sheet. Can you make that document available?	The Excel version has been uploaded to the Bid Opportunities website.



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#	Reference	Question	Answer
77	General	The RFP states that the state is "seek a multi-state systems solution to support the administration of the EHR incentive program.". Does this require that the solution is already in production with another state, or can Iowa be the first production user?	The Department requires that the solution be multi-state. The department will accept solutions where a contract is signed and scheduled for production implementation.
78	General	Did the Iowa Medical Enterprise have any external consultant support in planning the approach for the ARRA HITECH programs, including the SMHP? If so, are they precluded from bidding on this initiative? If they are not precluded, can you provide the firm's name for partnering consideration?	The Iowa State Medicaid HIT Plan was written by consultants representing American Computer Services, Inc, Policy Studies Inc., and Telligen . A determination of preclusion has not been made at this time.



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#	Reference	Question	Answer
79	General	Does the state desire that the successful vendor provide call center support services for the providers?	No.
80	General	We believe that Iowa will get the best insight into our offering and our company through references from all of our EHR Incentive Program multi-state solution participant states. Our state partners are very willing to provide a reference if Iowa initiates the request through a phone call or email. Unfortunately, each of our participant state references is subject to strict departmental regulations that forbid them from pro-actively writing Letters of Reference for their contractors. Would Iowa consider providing an alternative to written Letters of Reference such as reference descriptions and contact information?"	See question 40



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Appendix A – MMIS interface of payments.

The MMIS will send a file weekly to the State EHR Incentive Program System identifying the incentive payments that were made during the preceding week.

FIELD	TYPE	LENGTH	EXAMPLE
TCN	CHARACTER	17	xxxxxxxxxxxxxxxxxxxxx
PAY-TO NPI	CHARACTER	10	xxxxxxxxxx
PAY-TO LPN	CHARACTER	07	xxxxxxx
PAT-TO TAX-ID TYPE	CHARACTER	01	x (SEE ALL POSSIBLE VALID VALUES IN COPYBOOK IN MMIS)
PAT-TO NAME	CHARACTER	35	NOTE: WE CANNOT BREAK THIS INTO FIRST, MIDDLE, LAST. WE WILL SEND AS CHARACTER 35.
INDIVIDUAL-NPI	CHARACTER	10	xxxxxxxxxx
INDIVIDUAL-LPN	CHARACTER	07	xxxxxxx
PAYMENT YEAR	CHARACTER	02	xx (01 FOR FIRST YR)
SIGN-FIELD	NUMERIC	01	+ OR -
PAID AMOUNT	NUMERIC	15	XXXXXXXXXXXXXX.XX
PAID DATE	CHARACTER	10	YYYY-MM-DD
<u>TOTAL LENGTH</u>		<u>115</u>	



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Appendix B - Current Onbase Web Services

Web Service	Web Service Method	Description
reenrollment.asmx	UpdateServicesCertificationPackageStatus()	Updates IMPA that the Waiver Services Certification Package has been received
nlr.asmx	SendAjustmentTCN()	Updates IMPA with the Adjusted TCN for a Gross Adjustment submitted to ADJUST payment
nlr.asmx	SendTransactionControlNumber()	Updates IMPA with the Adjusted TCN for a Gross Adjustment submitted for INITIAL payment
nlr.asmx	SendEligibleInformation()	Updates IMPA with an Eligible or Not Eligible status for an application in various parts of process
nlr.asmx	GetNLRPaymentStatus()	Passes IMPA an App ID and IMPA responds with whether it's ok to pay or not or that no response has been received yet from the NLR
nlr.asmx	InActivateApplication	Updates the application status in IMPA to inactive for an App ID specified
nlr.asmx	IsAttestationDone()	Passes IMPA an App ID and IMPA responds with a yes or no to attestation being completed
nlr.asmx	SendPaymentInformation()	Updates IMPA with the Payment Information used to create a D16
nlr.asmx	ReSendEligibleInformation()	Used in cases where an updated B6 is received to update IMPA with the new information and reset the Application to the right part of the process



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Web Service	Web Service Method	Description
nlr.asmx	SendAdjustmentApproval()	Used to update IMPA with the payment status and payment information for an ADJUSTMENT to a previous payment to match up with the Adjusted TCN received later and file from MMIS
nlr.asmx	UpdateApplicationStatus()	Updates IMPA with INITIAL payment status and information to be used to match up with the Adjusted TCN received later and file from MMIS



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Appendix C - Estimate of Eligible Providers applying for incentive payments by year

While Iowa has identified approximately 1200 eligible professionals and 100 hospitals as potentially eligible, it is very difficult to determine when and if the potentially eligible providers will apply for the EHR Incentive program.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Year 1	240	240	240	240	120	120					
Year 2		240	240	240	240	120	120				
Year 3			240	240	240	240	120	120			
Year 4				240	240	240	240	120	120		
Year 5					240	240	240	240	120	120	
Year 6						240	240	240	240	120	120
Total Providers	240	480	720	960	1080	1200	960	720	480	240	120